

Introduction

Do you know that only 25 percent of the American households are now able to buy a new single family home, half the proportion of 10 years ago? This startling statistic reflects the results of many years of regulatory controls that have clogged the housing production pipeline, effectively reducing construction, and adding significantly to the cost of construction.

Citizens throughout the country are calling for action. They want affordable housing in their communities; for themselves, their children and for the elderly. They realize the seriousness of the situation and want change now.

The door to homeownership for many is being blocked in community after community by outdated regulations, archaic land use patterns and by a misinformed no-growth attitude. As a member of the housing industry, your knowledge and experience can help open the door of affordability.

The issues of government over-regulation of the housing industry are numerous and complex. Before there can be any meaningful dialogue between the citizens of a given community and their local government officials, there is a need for a thorough understanding of the codes and regulations that impact on the cost of housing. This is where you come in.

With your help, private citizens can organize affordable housing action groups in preparation to petition their local governments. These groups need the support of the housing industry. They need your help to develop a framework of understanding of those factors and requirements that are unnecessarily driving housing costs higher in their community.

There is no need to reinvent the wheel to establish an affordable housing group. The materials provided in this kit carefully examine the steps for effective citizen action. By category, they are:

1. *Citizen awareness and organization.*
2. *Technical support data collection.*
3. *Public relations and media contact.*
4. *Petitioning for regulatory change.*

The local citizen affordable housing group can be responsible for steps one, three, and four. You can carry out step two, coordinating your findings with the local coalition leader.

There are other elements not discussed here that influence the cost of housing other than building codes, zoning and land use. For the most part, however, such factors as mortgage rates and interest rates have been lowered significantly in the last three years. Moreover, these matters are a function of Federal policy and not properly addressed at the local level.

Analyzing Local Regulations

Analyzing the local regulatory situation is necessary to substantiate the need for change as well as recommending specific areas for change. There are numerous methods one can select to do the technical research. In every instance though, be aware that there is a compelling need to insure the accuracy of the information.

Listed on pages 3 and 4 are various questions and exercises. A large portion of these questions are devoted to the more technical aspects of building design and construction. There are additional questions, however, that examine the implications of the shortage of affordable housing, the needs of today's population, as well as directions on how to measure the demographics of a community. This data collection is best carried out by knowledgeable builders and realtors who understand their communities from many years of working with the "system." Be certain to provide responses to as many of the questions as you can. The more completely you examine or break down the problems affecting housing costs, the more likely it is that you will receive a positive reaction from your local government officials.

Analyzing Local Regulations

A Worksheet for the Builder and Developer

A necessary first step for any affordable housing coalition is to determine whether the community does in fact need to make changes in local regulations. This is best addressed by first understanding the decision-making process that formed it. An understanding of the entire system rather than just parts that impact on land development or permits, etc. is necessary.

The following checklist with 17 sample questions was prepared by the Urban Land Institute. It is designed to determine what a community may or may not require and allow. Fewer "yes" answers suggest that reform is needed if housing prices are to be reduced. These results will help determine the scope of activities and areas of concern for the local housing coalition.

Assuming that the results of this survey indicate that reform is needed, the next step is to initiate a more in-depth study of the issues that affect housing costs.

Yes No

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|--------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | 1. Is all the land that will be required for residential development over the next five years presently zoned and available for development? |
| <input type="checkbox"/> | <input type="checkbox"/> | 2. Does at least one-third of the land zoned for residential purposes permit housing other than single-family detached houses? |
| <input type="checkbox"/> | <input type="checkbox"/> | 3. Does at least one residential zoning district provide for a minimum size of less than one-quarter acre (or 11,000 square feet) for a single-family detached house? |
| <input type="checkbox"/> | <input type="checkbox"/> | 4. Do all residential zoning districts allow lot sizes of less than one acre? |

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- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> <input type="checkbox"/> 5. Did less than half of the residential subdivisions approved last year require rezoning first? | <input type="checkbox"/> <input type="checkbox"/> 10. Are fewer than ten separate permits or approvals required to complete a subdivision from initial application to occupancy of dwelling? |
| <input type="checkbox"/> <input type="checkbox"/> 6. Were more housing units approved for development than disapproved? | <input type="checkbox"/> <input type="checkbox"/> 11. Do subdivision or other standards allow normal residential streets to be less than 30 feet wide (curb to curb)? |
| <input type="checkbox"/> <input type="checkbox"/> 7. Of the number of housing units originally proposed in rezoning or subdivision applications, were more than two-thirds approved for development? | <input type="checkbox"/> <input type="checkbox"/> 12. Do zoning and subdivision provisions allow individual houses to be clustered on reduced lots and with reduced requirements for front, side, and rear yards? |
| <input type="checkbox"/> <input type="checkbox"/> 8. Does it take fewer than six months for most subdivisions to be approved after the initial application (without considering rezoning)? | <input type="checkbox"/> <input type="checkbox"/> 13. Can sidewalks on one or both sides of streets be eliminated with other provisions for pedestrian paths? |
| <input type="checkbox"/> <input type="checkbox"/> 9. Are less than ten percent of the residential development application decisions of the zoning or subdivision administrators or of the planning commission appealed by neighborhood or citizen's groups? | <input type="checkbox"/> <input type="checkbox"/> 14. Can swales, ponds, and other natural features be substituted for drainage pipe systems? |

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- ☐ ☐ 15. Are developers required to provide only those roads, sewer and water systems, parks, school sites, and other public facilities that directly serve the specific development being approved?
 - ☐ ☐ 16. Are fees imposed for processing applications and for providing public facilities?
 - ☐ ☐ 17. Does your community, township, etc., have a "Master Plan" for land use?

Once you have determined that reform is needed, your next step is to review the following questions and discussions prepared by the National Association of Home Builders (NAHB) which provide some further insight and suggestions on how to deal with the local governing body.

Question #1

Are the community's regulations based on facts and do they contain a concise statement of intent?

All too often the planning and regulatory process is based on inadequate or incorrect data, with little or no understanding of the ramifications of a deficient data base. This may result from a community simply lacking the resources and expertise to develop coherent plans and regulations or from a community's intent to stop or slow growth. In addition, the regulatory process should be consistent with the stated goals of the community, and the adopted ordinances should complete, not contradict, said goals. For example, a county or city that has the stated goal of providing a variety of housing types should encourage a range of housing opportunities in its ordinances and not enact regulations that increase cost and delay.

Question #2

Does the local community routinely review its plans and ordinances?

Many communities still have ordinances that were adopted ten or fifteen years ago and either have not amended them at all or have adopted various amendments haphazardly.

Question #3**Are decisions made by the appropriate body?**

Sometimes elected officials pass the buck to administrators to avoid hard political choices. The same can be true in reverse where rather simple reviews and decisions must be acted on by the planning commission and/or local governing body. Zoning decisions usually rest with the local governing body after review by the local commission. Many subdivisions still require review by staff, the planning commission and the local governing body, although an increasing number of communities have streamlined their process by delegating subdivision and/or site plan review to just one of these groups.

Question #4**Are there adequate resources to administer the regulations fairly and efficiently?**

If there is a lack of public personnel, experience, or expertise, the builder may encounter serious problems and delays in dealing with the community. The quality of public management is uneven, and regulatory programs are

often passed without full appreciation of their budgetary impact. When challenging such a proposal for new regulations, the builder or developer should press the community for a detailed and realistic budgetary projection. When confronted with the cost of administration, many counties and cities may defer the implementation of new regulations.

Question #5**Does the community's zoning allow for a variety of housing types and densities?**

The low density, single-family detached home will likely remain the most popular form of housing. The problem is that a majority of people are having trouble affording this type of home. One alternative to the rising cost of a house is to allow higher densities and smaller lots, thereby enabling the higher cost of land and improvements to be distributed among more buyers. There is a lack of understanding by communities and their public officials that properly designed higher density does not produce a negative impact on the county or city. Higher density projects can and do support their own streets and recreational facilities and therefore do not require a high level of services from the local government.

Question #6

Is a public hearing required for the project approval?

The total amount of time needed to make a decision on a subdivision plan is frequently influenced by requirements for legislatively mandated public hearings. The approval of subdivision plans is an administrative matter which usually can be handled as part of the regular meeting schedule of a planning board or commission. Hearings which require 30 days notice only serve to lengthen the time and cost of the governmental approval process.

Question #7

Is there duplication of review among the public agencies involved in the process?

Frequently, the authority to review certain aspects of a plan are delegated to two or more agencies. Such duplication can create a problem if one agency contradicts another on the requirements for a particular development feature. Storm water and erosion control are two areas which frequently raise such problems. There should either be a consolidated review policy, or one agency should surrender responsibility for the decision.

Question #8

Are there procedures for staff approval of permits without going to the planning commission?

Many applications submitted for review could be approved at the staff level without planning commission review. Minor revisions to approved plans, subdivisions with fewer than five lots, minor subdivisions, and others could be reviewed and approved by the staff. Cases should be brought before the planning commission only when staff and applicant cannot agree on a decision.

Question #9

Are you informed of problems in permit applications prior to public review and action by the planning commission?

As part of the review process, the builder should be informed of any problems in his development plans and be given the opportunity to make necessary changes, prior to any action toward the denial of his application. A builder should not be surprised by a negative decision on a proposed plan.

Question #10

Is the fee structure for review reasonable and applied equitably to everyone?

Development review fees should be based on the need to offset operating costs for that review. Fees designed to support general staff operating costs or other revenue funding are unnecessary and excessive.

Question #11

Can minor project specifications be changed by quick staff technical review or expedited commission consideration?

Any approval process that requires a developer to go through the entire review process for only minor amendments is costly and inefficient for both the developer and the government. However, resubdivision or significant plat changes may legitimately require a full review.

Question #12

Once approval has been granted, is the developer exempt from additional or new government requirements for a reasonable length of time?

The developer should establish a level of vested rights at each permit approval. Vested rights are those which cannot be denied because of subsequent changes in regulations. The point in the development process at which rights are vested varies from state to state.

Question #13

May permit or inspection rulings be appealed?

In all cases, there should be an administrative appeal process. The builder must have the right to challenge a decision on the administrative level before seeking redress in the courts.

Question #14

Are the time limits for governmental action on permits or inspections enforced?

The failure of the approval agency to act within a legislatively defined time period should result in automatic project approval. Developers should remember that tighter time frames require timely, technically accurate,

Phase II

Analyzing Supply and Demand

and complete applications be submitted to the planning commission, or elected agency that will review the project.

Question #15

Are local building, plumbing and electrical codes based on national model codes?

Model codes present a sound basis of regulation to protect the health and safety of the consumer. If your community does not follow a model code, are the standards equivalent? Where local codes exceed the model code, do special conditions make the local requirement reasonable (e.g. heavy snow loads may demand more stringent standards for roof trusses)?

Question #16

Is building code enforcement consistent?

Is code interpretation based on laboratory test and field experience or do local officials show prejudice against new techniques? Are levels of construction standards and acceptable work equivalent for all projects or do they vary from project to project, from inspector to inspector?

Now that you have a better understanding of the major constraints to the production of more affordable housing, the next step is to determine the severity of the housing needs in the community. This task is perhaps best accomplished by the professional realtor.

The demand for housing is growing faster than the ability to meet that demand. The dominant factor in this unprecedented surge is the bulge in the population resulting from the post World War II "Baby Boom." This group has now reached the 25-37 age bracket and perhaps best represents that grouping of persons known as the future homeowners of America. There is also a steadily growing elderly population coupled with more one and two person households that can be translated into a need for more smaller housing units.

The worksheet on page 11 is designed to examine a local community's housing needs. One or more knowledgeable realtors and, perhaps builders, will need to work on these questions which require some subjective analysis. The importance of this exercise cannot be overstated. This information will help reshape the thinking of local officials whose past policies have reflected an anti-growth,

anti-housing sentiment. If there is a true housing need, local government will be forced to realize that there is a new group of constituents who want to be represented. Moreover, the insight and information it will provide will likely form the basis of any serious review undertaken by local government.

Once this information has been tabulated, you will need to sit down with the local coalition leader to discuss these findings and determine how best to target the various messages that the information suggests. For example, in analyzing your community's make-up and defining its needs, review the following demographic trends noted by the Census Bureau.

■ Household formation, a major component of housing demand, is expected to be between 1.3 and 1.4 million per year for the remainder of the 1980s.

■ 41 million Americans will reach the prime home-buying age of 30, and another 15 million will be graduating from college during the decade of the 1980's.

■ Between 1970 and 1980, household size declined sharply, from 3.11 persons to 2.75.

■ Married couples will account for only 17 percent of all new household formations from 1975 to 1990. They accounted for 41 percent of all the new household formations formed from 1960 to 1975.

■ Almost two-thirds of the projected total number of 1990 households will be without children.

■ During the 1980s, the population is expected to continue to locate away from the central cities and established suburbs and into small towns and rural areas.

■ Preliminary 1980 Census counts indicated that isolated communities will experience growth of 100 and 200 percent during this decade.

■ Over the recent decade, the population of the City of Miami increased 3.8 percent. At the same time, population in the outlying and unincorporated areas of Dade County increased 48 percent.

■ San Diego grew 23 percent in the past ten years, but areas outside of the city grew twice as fast—by 46 percent.

Housing Needs Worksheet For Realtors

Housing Supply and Demand

1. Based on a survey of the most active local realtors in the community, what types of people are trying to buy homes locally, and how appropriate and affordable are the homes that are for sale?
2. Have a sampling of realtors describe the characteristics of people who have successfully purchased homes in the community in the last year. Detail purchaser's: age(s); income(s); household size; employment.
3. Address the same questions about the households that have been looking for a home in the last year, but have not purchased one. Include the reason for not buying.
4. Determine how active the real estate market has been in the last year:
 - a. How many homes are on the market at any one time? Compare both new homes and resale units.
 - b. What is the average time to sell a home compared to five and ten years ago?
 - c. Are home prices rising, falling or remaining fairly constant?
 - d. Do sellers often have to provide financing to market their homes?
 - e. How many homes are annually placed on the market and then withdrawn? Why are these homes withdrawn?
 - f. How many new housing starts were there last year? How does this compare to the last five years: more; less; about the same?
5. Compare the number of housing starts projected for the community with the projected number of units that will be needed to meet the population demand for the coming year; for the next five years; the next ten years.

Building Support for Affordable Housing

At this juncture you should have a reasonable understanding of the relationship between local regulation and housing costs. You have measured the impact of local codes and processes. A study on the demographics

of the community has been compiled that should show both the immediate and long-term housing needs of the community.

ditional information or case studies, please use the self-mailing postcards enclosed in this kit.

On another front the local affordable housing coalition is becoming more formally organized. The chairman of this effort has been thoroughly briefed by you and others on the various survey results. It is almost time to organize the presentation of your case to the public and local government. One final task needs to be completed, however, before proceeding.

**Affordable Housing Projects:
Case Study Examples**

Each community action group will have to develop a strategy to fit the conditions that are targeted by the surveys. To assist in this task, it is suggested that the enclosed case study on major regulatory effects be reviewed and compared to the problems facing your community.

This study speaks to specific problems encountered and how they were solved. Several different situations are discussed which may provide some guidance in your own planning and strategizing. Should you need ad-

